

*DDG Chron*  
*Registry*  
*File* ~~XXXXXXXXXX~~  
~~XXXXXXXXXX~~ **DCI**

24 March 1986

NOTE FOR: DDCI-Designate

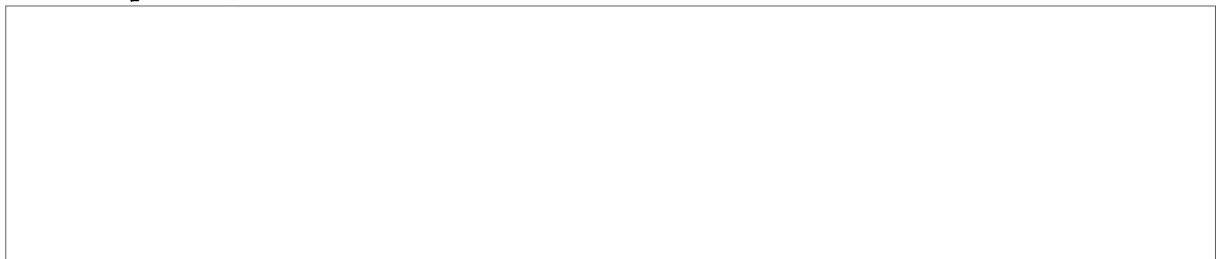
FROM: Dave Gries

SUBJECT: Your Meeting Today With Senator Bentsen

1. Senator Bentsen's staff told me this morning that he has no particular subject in mind for today's meeting.

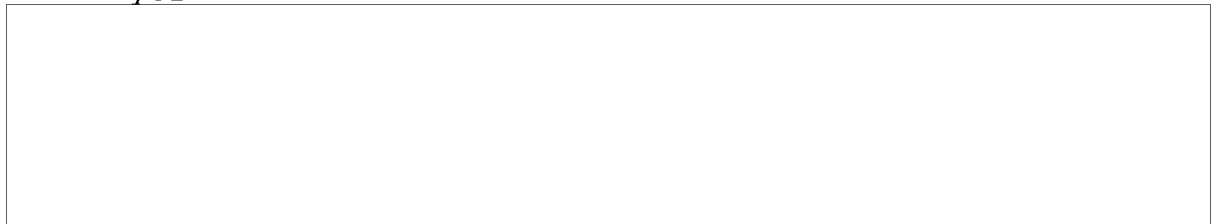
2. However, you should be aware of the following:

- He leaves for Mexico City on 3 April. His primary interest is Mexico's debt problem. Although we offered a briefing, thus far he has declined. Attached is a package of reading material I sent him two weeks ago.



STAT

- Since Senator Bentsen asked a number of questions during the Yurchenko-Howard hearing, see attached Memo for the Record with the Senator's questions scored in yellow.



STAT

Dave Gries  
Director, Office of Congressional Affairs

Attachments

*Texas - Senior Senator*

## Lloyd Bentsen (D)

Of Houston — Elected 1970

**Born:** Feb. 11, 1921, Mission, Texas.

**Education:** U. of Texas, LL.B. 1942.

**Military Career:** Army Air Corps, 1942-45; Air Force Reserve, 1950-59.

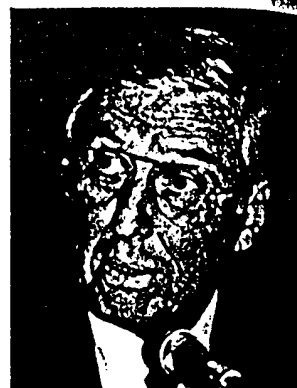
**Occupation:** Lawyer; financial executive.

**Family:** Wife, Beryl Ann "B. A." Longino; three children.

**Religion:** Presbyterian.

**Political Career:** Hidalgo County judge, 1946-48; U.S. House, 1948-55.

**Capitol Office:** 703 Hart Bldg. 20510; 224-5922.



In Washington: There is a gray quality about Bentsen, and it comes not only from the elegant suits he wears and the silver in his hair, but from his record — midway between the poles on nearly any important issue — and his temperament. He is not a dour or cheerless man, but he strikes people as aloof and rather formal. Bentsen is not the kind of senator seen naturally slapping another on the back or trading funny stories. One would not pick him out of a crowd as a Texan.

Bentsen is all business. And he has devoted much of his career in the Senate to promoting American business and trying to bring it back from the doldrums.

During one term as chairman of the Joint Economic Committee, Bentsen was a tireless spokesman for his view that the answers to inflation are private investment and economic growth, and that these can come through tax cuts. When he ran for president in 1976, campaigning smoothly but not very successfully, it was on a platform of economic revival through personal tax cuts and reductions in the tax on capital gains. Within five years, the basics of his proposals had become law. It took a Republican president to do it, but Bentsen had helped pave the way.

The last few years have been a quieter legislative time in Bentsen's career. As important as he was in shifting the climate of opinion on economic questions, he has not been at the center of policy making himself in the Reagan years. While he has had his share of initiatives, most of them have amounted to tinkering with laws already in place.

In the 98th Congress, for example, Bentsen worked on ways to prevent fraud among those acting as agents for Social Security recipients. He moved to make prenatal care a mandatory part of the Medicaid system in the states. He

successfully promoted a bill to revoke the licenses of pilots who smuggle drugs.

But Bentsen spent much of his time in 1983 and 1984 trying to use his business contacts and fund-raising ability to help Democratic Senate prospects. Named chairman of the Democratic Senate Campaign Committee for the 1984 election year, Bentsen presided over an operation that raised more than \$9 million during the two-year cycle and gave twice as much to the party's Senate candidates as the committee had ever given before.

The result at the polls was respectable. Bentsen's party never threatened to regain its Senate majority, as some of its strategists had thought possible early in the year, but Democrats did score a net gain of two Senate seats. That was a credible showing amid the Reagan presidential landslide and allowed new hope of attaining a majority in the midterm contests of 1986.

One of the clearest effects of Bentsen's chairmanship seemed to be on Bentsen's own rhetoric. Pressing the case for Democratic Senate gains, he lambasted Republican economic policies that he had seemed comfortable with a few years earlier. Bentsen charged that Reaganomics had "plunged our country into the worst recession we've seen since the Great Depression." He accused the Commerce Department of misleading the country about figures on national economic output to minimize fears of a break in the 1984 recovery.

As a senior member of the Finance Committee, Bentsen still sounds very much like the old Bentsen. He continues to fight for the Texas oil industry and, in particular, for the independent producers.

During the original debate in 1979 and 1980 over a windfall profits tax on the oil

*Lloyd Bentsen, D-Texas*

industry. Bentsen's first priority was a full exemption for the smaller independent producers. That passed the Senate, but did not end up in the final law. Still, Bentsen and his allies did manage to keep the tax on smaller producers lower than the basic rate.

In 1984 Bentsen strongly opposed a Senate bill that called for an 11-month moratorium on mergers by large oil companies. Arguing that "the market is self-correcting," Bentsen said he did not believe "the Congress should be in the business of legislating moratoriums on economic activities, especially when the public interest is not being harmed." Bentsen achieved a partial victory when the Senate killed the moratorium and adopted a substitute requiring Congress to study the issue.

Earlier in his Senate career, Bentsen made repeated efforts to deregulate the price of natural gas. He managed to get a deregulation amendment through the Senate in 1975, on a 50-41 vote, but that language never passed the House. In 1977 he persuaded the Senate to add gas deregulation to President Carter's energy package, but the House did not include it, and when a conference committee compromised on gradual deregulation over seven years, Bentsen voted against the conference report.

Bentsen is also deeply involved in trade issues, many of which come under the purview of the Finance Committee. Soon after Congress convened in 1981, he introduced legislation with Missouri Republican John C. Danforth to limit the number of Japanese cars allowed to enter the United States.

Bentsen and Danforth later dropped their bill after the Japanese agreed to voluntary restraints. But trade continues to preoccupy Bentsen; as ranking Democrat on the International Trade Subcommittee at Finance, he thinks that U.S. exporters, particularly farmers, are victimized by unfair trading practices of other countries.

In the 98th Congress, he backed Danforth's "reciprocity" bill expanding the president's authority to retaliate against such practices. Some of those provisions became law in the Trade and Tariff Act of 1984. Bentsen's contributions included language allowing American companies to file petitions against alleged unfair foreign trade practices without revealing their own trade secrets.

Bentsen plays a less prominent role on the Environment and Public Works Committee. He had a chance for the chairmanship of the important Environmental Pollution Subcommittee, vacated in 1980 when Edmund S. Muskie left to become secretary of state, but did not try for it.

Until 1981, however, Bentsen was chairman of the Environment and Public Works Subcommittee on Transportation. In that capacity, he worked on the complex formulas that govern distribution of money from the highway trust fund. In the early 1970s, he allied himself with highway users against attempts to break off trust fund money for mass transit. But he voted for the 1982 gas tax bill, which diverted trust funds for mass transit, after working to ensure that money was available for Houston and other cities with new systems.

Seeking to score for Texas on another environmental front in 1983, Bentsen led the congressional opposition to Section 404 of the Clean Water Act that has served to block development of the nation's wetlands. Responding to the state's oil and gas industries and to farmers, Bentsen sought to loosen up the tough wetlands restrictions that required permits for drilling, dredging and filling. Despite the large numbers of legislators who were against the regulations no action was taken.

Environmentalists have more reason to be happy about Bentsen's minor crusade to spruce up medians and verges along the nation's highways. He has repeatedly proposed that wildflowers be planted near any highway built with federal landscaping aid. His idea made it through the Senate in the 98th Congress, but it did not become law.

At Home: Bentsen is part of the Texas Democratic establishment that included Lyndon B. Johnson and John B. Connally, but his route into it was unique. He was elected to Congress at 27 from a rural district in South Texas, retired after three terms, moved to Houston, made a fortune in insurance, then re-emerged in politics 15 years later as a conservative Democratic candidate for the Senate.

The Bentsen family, which is of Danish stock, has been among the conservative gentry of the lower Rio Grande Valley for most of this century. The senator's father, Lloyd Sr., was known as "Big Lloyd" around their hometown of McAllen, where he became a millionaire landowner and gave his son a lift into local politics.

Returning home from World War II, in which he had flown bombers over Europe, the younger Bentsen was elected judge in Hidalgo County at age 25. In 1948, taking advantage of family money and connections among the small group of Anglo Democrats that controlled politics in his heavily Hispanic South Texas district, he became the youngest member of the U.S. House.

As a representative, Bentsen pleased Texas conservatives with his hard-line anti-commu-

### Texas - Senior Senator

nism. In 1950 he advocated ending the Korean War by using the atomic bomb. He represented a one-party district and was politically secure; after his first primary, he faced no opposition at all.

But by 1954, the House did not seem as attractive to Bentsen as a career in the upper echelons of the Houston business community. He retired from Congress at the age of 33 and became president of Lincoln Consolidated, a holding company. By the time Bentsen was ready for politics again in 1970, he was a millionaire.

Bentsen ran on the Democratic right in 1970 as primary challenger to veteran Sen. Ralph Yarborough, the East Texas populist who had been an enemy to the conservative wing of the party for years.

Bentsen ran against both Yarborough and the national Democratic Party. When Democratic Sens. Edmund S. Muskie of Maine and Harold Hughes of Iowa came to Texas to campaign for Yarborough, Bentsen labeled them "ultraliberal" outsiders. He ran television commercials linking Yarborough to violent anti-war protests and said the senator's vote against the Supreme Court nomination of G. Harrold Carswell showed he was anti-Southern.

Yarborough punched back by attacking Bentsen and his allies as "fat cats" and "reactionaries." Emphasizing his role in passing Great Society legislation, Yarborough campaigned hard to put together his old populist coalition of blacks, Hispanics, union members and rural East Texans. It was not enough to stop Bentsen, who won with almost 100,000 votes to spare.

After the primary, Bentsen moved to the center against GOP nominee George Bush, then a Houston representative. The Bush-Bentsen campaign, a battle between a Houston insurance millionaire and a Houston oil millionaire, was gentle by comparison with the primary. There was little to argue about.

In the end, that helped Bentsen. He continued to promote the conservative image he had fostered in the spring, but campaigned against President Nixon's economic policies in the hope of winning back as many Yarborough supporters as possible. Texas was still unquestionably a Democratic state in 1970 and, given a choice between two conservatives, a majority of voters preferred the Democrat.

When Bentsen won, Nixon tried to claim the outcome as a "philosophical victory" for the Republican administration. But things did not work out that way. Over the next few years, Bentsen sought to moderate his image, looking toward a presidential campaign in 1976. Some

of that moderation, such as his vote in favor of common-site picketing in 1975, outraged more conservative 1970 supporters.

The result was a Democratic primary challenge in 1976 from Texas A&M economist Phil Gramm. Gramm accused Bentsen of abandoning his conservative heritage in a vain bid for national office. Bentsen retained the loyalty of the party establishment and beat Gramm more than 2-to-1, but the challenger drew 400,000 votes (Gramm went on to become an influential member of the House, and was elected to the Senate in 1984).

Meanwhile, Bentsen was seeking the Democratic presidential nomination, calling himself a "Harry Truman Democrat" and hoping to establish a base of support in an early Southern primary. It was a waste of effort. The combined opposition of Jimmy Carter and George Wallace limited Bentsen to only six delegates in his own home state, and Bentsen quickly dropped out of national politics to concentrate on his fall campaign against Republican Rep. Alan Steelman.

That campaign turned out to be a disaster. Steelman reversed Gramm's strategy, hoping to woo Yarborough liberals by calling Bentsen a captive of special interests. But Steelman ended up without a firm base in his own district and he never had the money to compete with Bentsen on an equal footing. Bentsen had a mailing list of 700,000 names and an organization in each of the state's counties. He defeated Steelman easily.

In 1982 Bentsen brushed aside Republican Rep. James M. Collins, who crusaded tirelessly across Texas trying to persuade voters to elect seat "Liberal Lloyd."

Collins had difficulty providing specific evidence to document his portrayal of Bentsen as a liberal. He faulted the senator's votes to increase the national debt and to approve the Panama Canal treaties, but those examples won Collins only a few converts from the Democratic Party.

Bentsen paid little attention to Collins. When he did he told voters they were being offered a choice between "effectiveness and incompetence." He criticized Collins for passing a single piece of legislation during 14 years as the occupant of a safe House seat in Dallas. To counter negative advertising by Collins and the National Conservative Political Action Committee, Bentsen talked about employment, Social Security and other issues on which the Republican Party was vulnerable.

Collins did put together a well-organized campaign network that mobilized the hard-core conservative vote. He won 41 percent of Bentsen's 1.8 million votes led the state

*Lloyd Bentsen, D-Texas*

ticket to a smashing victory as the party captured the governorship, retained all its U.S.

House seats and picked up all three newly created districts.

### Committees

Environment and Public Works (Ranking)  
Transportation.  
Finance (2nd of 9 Democrats)  
International Trade (ranking); Energy and Agricultural Taxation;  
Taxation and Debt Management.  
Select Intelligence (2nd of 7 Democrats)  
Joint Economic  
Joint Taxation

### Elections

1982 General  
Lloyd Bentsen (D) 1,818,223 (59%)  
James Collins (R) 1,256,759 (41%)  
1982 Primary  
Lloyd Bentsen (D) 987,153 (78%)  
Joe Sullivan (D) 276,314 (22%)  
Previous Winning Percentages: 1978 (57%) 1970 (54%)  
1952\* (100%) 1950\* (100%) 1948† (100%)

\* House elections.

† Elected in a special election and a full House election the same day.

### Campaign Finance

	Receipts	Receipts from PACs	Expenditures
1982			
Bentsen (D)	\$4,545,315	\$800,443 (18%)	\$4,996,104
Collins (R)	\$4,285,384	\$117,182 (3%)	\$4,285,377

### Voting Studies

Year	Presidential Support		Party Unity		Conservative Coalition	
	S	O	S	O	S	O
1984	52	34	46	28	53	17
1983	51	45	63	31	64	34

1982	61	33	54	41	88	10
1981	70	24	55	42	83	11
1980	73	19	57	26	56	27
1979	66	27	63	29	63	26
1978	60	28	51	39	70	22
1977	63	32	41	49	78	15
1976	32	30	37	42	64	15
1975	57	25	49	36	58	27
1974 (Ford)	18	43				
1974	53	28	48	32	43	38
1973	44	47	59	35	57	36
1972	57	35	55	38	56	34
1971	61	37	57	36	73	18

S = Support

O = Opposition

### Key Votes

Overturn Supreme Court decision legalizing abortion (1983)	N
Allow chemical weapons production (1983)	Y
Create Martin Luther King Jr. holiday (1983)	Y
Bar funding for MX missile (1983)	N
Permit school prayer (1984)	Y
Cut military aid to El Salvador (1984)	N
Keep tax indexing (1984)	?
Retain funds for "Star Wars" defense research (1984)	N
Authorize procurement of 21 MX missiles (1985)	Y

### Interest Group Ratings

Year	ADA	ACA	AFL-CIO	CCUS-1	CCUS-2
1984	55	47	67	46	
1983	40	42	71	53	
1982	40	65	75	70	
1981	25	57	39	71	
1980	39	43	41	59	
1979	26	38	47	45	67
1978	35	57	26	83	
1977	30	48	60	59	
1976	15	47	40	25	
1975	39	38	59	50	
1974	38	41	45	50	
1973	55	41	64	44	
1972	35	45	30	25	
1971	33	33	55	-	

CENTRAL INTELLIGENCE AGENCY



OCA 86-0827  
14 March 1986

Director of Congressional Affairs

The Honorable Lloyd Bentsen  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

Dear Senator Bentsen:

Looking ahead to your April trip to Mexico, I have collected for you our most recent analytical work on economic and financial issues. In addition, as we get closer to your departure date, I would like to schedule a briefing for you by [redacted] Director of the Office of Global Issues.

STAT

Sincerely,

[redacted signature box]

STAT

David D. Gries

Distribution

0 - Addressee w/encls

1 - D/OCA Chron w/encls\*

1 - EO/OCA w/o/encls

1 - DD/House Affairs/OCA w/o/encls

1 - OCA Subject w/encls

1 - OCA Chron w/o/encls

D/OCA:DDGries;jms (14 Mar 1986)

**Page Denied**

Next 12 Page(s) In Document Denied